GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6336
ANSWERED ON:06.05.2005
REDUCTION IN THE NON DEVELOPMENT EXPENSES
Mohite Shri Subodh;Pallani Shamy Shri K.C .;Pathak Shri Brajesh

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have taken any steps to reduce the non-planned expenditure;

(b) if so, the details thereof; and

(c) the estimated amount likely to be saved by the Government as a result of keeping a check on extravagant expenditure?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a) and (b): Central Government has been following a comprehensive strategy to reduce non-plan expenditure. Fiscal Responsibility and Budget management Act, 2003 and rules made thereunder which target elimination of revenue deficit by March 31, 2009 is a step taken in this regard. The Government has issued guidelines on expenditure management-fiscal prudence and austerity which, inter-alia, provides for utmost economy and austerity in respect of various administrative expenses.

(c): It would not be possible to estimate the amount likely to be saved on as a result of such measures. However, as a result of various measures by Central Government, non-plan expenditure as a percentage of GDP has shown a declining trend in the last five years.